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Corp report

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6th annual report

Great National Land & Investment Corp. Ltd.

1969

17 Church Street, Nanaimo, B.C.

Great National Land & Investment Corp. Ltd.

6th annual report



Aerial view of Nanaimo, one of Canada's fastest growing cities.

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Nanaimo . . . from the ocean with mountains in background.

DIRECTORS

Jack D. Bowe
Malcolm L. Brown
William H. Coats
Harry Donald
Clarence Entwisle
Donald J. McRae
Jack Coates
Alfred C. Fillinger
Robert W. Golding
James O. Goodwin
Minard G. Hill
Michael Kronyk
Ronald F. MacIsaac
Albert Addison
Frank McLaughlin
William Morrell
Leslie Mottishaw
Frank J. Ney
William B. Ney
Brian Ross
William S. Watson
Carnduff Scott

OFFICERS

Clarence Entwisle, Chairman
Frank J. Ney, President
William B. Ney, Vice-President
Ronald F. MacIsaac, Secretary
James O. Goodwin, Treasurer

HEAD OFFICE	17 Church Street Nanaimo, B.C.
AUDITORS	Messrs. Church, Pickard, Lane & Newman Nanaimo, B.C.
LEGAL COUNSEL	Farris, Farris, Vaughan, Taggart, Wills & Murphy Vancouver, B.C.
	MacIsaac, Clark & Sinclair Nanaimo, B.C.
BANKERS	The Royal Bank of Canada Nanaimo, B.C.
REGISTRAR & TRANSFER AGENT	Montreal Trust Company Victoria and Vancouver, B.C.
TRUSTEE	Montreal Trust Company Vancouver, B.C.
FISCAL AGENTS	Odlum Brown and T. B. Read Ltd. Vancouver, B.C.

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholder:

During the past fiscal year, your company has been actively involved in land acquisition, land development and home construction. During the same period, Great National has opened four branch offices and acquired a well-established lumber supply company now named Sunglo Lumber. Initially, these new acquisitions reduced our profits, though we are pleased to report that at this date, these new operations are contributing profits. Rapid growth, non-recurring expenses and initial problems with computers also temporarily held back profits. Apart from this, unusually high carrying charges for land purchases and development also restricted profits.

The net profit after tax is $78,252 compared with $101,402 in the previous year. During the same period, gross assets have increased approximately 71% from $4,791,224 to $8,180,867 with close to 150% increase in home construction. At present the company is actively engaged in a large house building program in Nanaimo and extending to Courtenay, Comox and Campbell River.

The company intends to develop and merchandise land in the next 12 months rather than add further land to its 4,000 acre land bank. This should have a very positive effect on current earnings in the next fiscal period. The increase in the value of raw land purchased some years ago is not reflected in the financial statements, and at today's market prices, this increase represents a significant amount. In the next fiscal period, the company expects to merchandise approximately $1,000,000 worth of developed lots, and we hope to have three more summer resorts open for next summer, Mystery Beach, Clam Shell Beach and Waterloo Estates.

It is interesting to note that because of anticipated world monetary conditions, many large international companies are today creating land banks in various parts of the world. The present land holdings of your company will be a strong base to work from for future profits. The policy of the company is to follow conservative accounting principles in dealing with the sale of developed land and real estate and consequently profits are only reflected in relation to the cash flow. Deferred profits now stand at $351,000 plus over $300,000 as our share in our associated companies.

During the company's rapid expansion of the past 18 months, administration costs have exceeded ratio-wise revenue growth. As the land we have been preparing for sale is merchandised, it is anticipated the pendulum will swing the other way.

Vancouver Island can look forward to a healthy growth in the next decade, benefiting from expansion of the logging and mining industries, the need for retirement locations in a temperate climate with a huge tourist potential to be generated from the booming populations from California north on the West Coast.

During the next year, the company will concentrate on streamlining its administrative procedures and accelerate development and merchandising of land. The company with its present assets and property, has placed itself in a very competitive position for the growth years ahead. It is the intention of the company to now move forward from this strong base working in the market place for steady and increased profits.

The Directors and Officers express their sincere appreciation of the excellent work of the company's employees and the loyal support of its clients and shareholders.

On behalf of the Board of Directors,

FRANK J. NEY, President



GREAT NATIONAL OFFICES

From this office at Nanaimo and associated branch offices at Duncan, Courtenay and Campbell River, a staff of approximately 155 personnel generates real estate sales, insurance and mortgage brokerage, plus construction and land development to many millions of dollars per annum. The offices of this old established group of companies are proud of the service, experience and reputation maintained over many years operating from this Nanaimo landmark.



COMMERCIAL DEVELOPMENT

The company has been associated with a number of shopping centres, Harewood Plaza, Vic's Country Club Plaza and Townsite Plaza.





SCOPE OF OPERATIONS

Great National is one of Western Canada's leading Real Estate companies. It combines the security inherent in land with the growth opportunities made possible by its diversified activities in areas such as residential, commercial and industrial development, real estate brokerage, insurance, mortgages, construction, retail building supply, property management and financing. Due to this balance, the company is able to prepare for sound long term growth through its land bank, while at the same time maintaining the flexibility needed to take advantage of profitable short term situations as they develop.

* * *

Head office of Great National is in Nanaimo, and active branches are operated throughout Vancouver Island. Company income is also earned on the mainland, and consideration is being given to physical expansion in this lucrative market area. Nanaimo Realty Co. Ltd., a subsidiary company, is the largest real estate firm with membership in the Vancouver Island Real Estate Board. In 1968 real estate sales were more than $15,000,000; nearly every imaginable type of realty was involved. During the past 22 years, this company has also built up one of the largest insurance agencies on the Island; well over one million dollars in premium income is generated annually.

* * *

As Andrew Carnegie said, land is the basis of all real wealth, and Great National has about 4,000 acres in its owned and controlled land bank inventory, equal to approximately 7,200 lots. Much of this land was purchased years ago, when prices were far lower. This forsight means that the company can reasonably expect to enjoy substantial profits as the land is developed and sold. This large land bank also acts as an excellent hedge against continuing inflation.

* * *

Great National owns, and also constructs for resale and its own ownership, many revenue producing properties. This increases earnings over both the short and long terms and acts as an inflationary hedge.

The land program includes residential, commercial, industrial, and resort development. An increasing population and continuing inflation should ensure profitable operations in these areas for the foreseeable future. For example, the Economic Council of Canada estimates that the rate of growth in the number of family units in this country will increase by 50% within the next 10 years. British Columbia's recent growth rate is nearly double the national average; land represents a prime investment. By the year 2,000 as much new real estate will have been constructed as now exists in North America. Certainly this stupendous growth rate presents golden opportunities for those firms involved in sound, realistic, and planned activities in the realty field.

* * *

Land development is similiar to the distilling field in that it takes time to get a product ready for the market. Land must be located which will meet the particular needs anticipated, it must be purchased, cleared, have water and power lines brought in or nearby, construction must be planned and completed, and then the development must be marketed to the public at the most opportune time. To this point, Great National has been building its land bank — about 700 acres were added this year — and while land acquisition will always go on, your company plans during the next year or so to embark on an active land sale program. This should have the result of substantially increasing present profits without adversely affecting our long term growth potential.

* * *

Company assets during the past fiscal year increased from $4.7 millions to $8.1 millions, a gain of about 70 percent. This gives the company a strong base to work from for what many economists and planners have dubbed the "Soaring Seventies".

* * *

With one of the soundest land banks in the industry — both in terms of location and diversification — an aggressive and marketing-oriented management group, and excellent access to financing sources, Great National intends to go right on growing along with the most opportunity-laden province in Confederation.

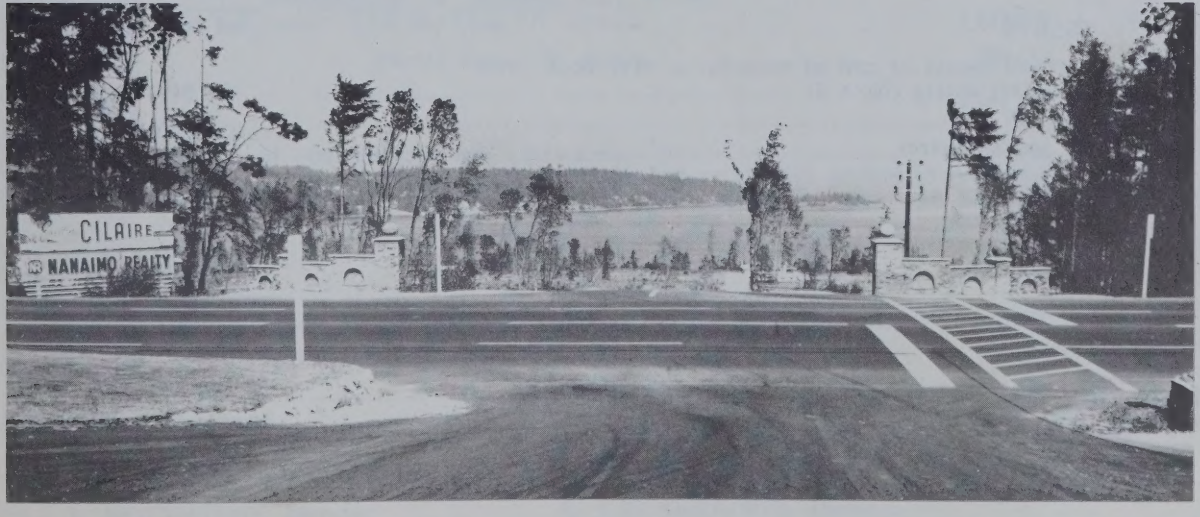


CILAIRE

This 233 lot waterfront subdivision development opened in 1967 with complete underground services is proving very popular. Many homes are completed or under construction. Lot sales now total approximately $ 1,083,800 and a consistent monthly sale of lots is being maintained. The development will eventually be one of the finer residential areas in the province. The profits from the sale of land on this development have not been reflected in our statement in this fiscal period. Examples of custom built homes completed by the construction division of the company during the past few months, are pictured this page.







Consolidated BALANCE SHEET

ASSETS

	April 30, 1969	Comparative April 30, 1968
CURRENT		
Cash	$ 24,457	$ 56,006
Due from trust account	251,689	98,395
Marketable securities	150,000	—
Accounts receivable and accrued	505,691	371,742
Real estate for sale and construction in progress—at cost	2,196,002	874,942
Less: Construction progress draws	(573,429)	(350,394)
Stock in trade—at cost	122,782	—
Prepaid expenses	11,614	3,274
	2,688,806	1,053,965
INVESTMENTS		
Mortgages and agreements receivable	2,034,849	1,593,717
7% demand note receivable—Pacific Lands Ltd. (see contra)	235,494	246,519
Rental Properties, at cost	1,561,186	1,193,710
Less: Accumulated depreciation	(112,656)	(60,849)
Subdivisions under development—at cost (Note 2)	987,710	250,620
Investments in private companies—at cost: Shares	10,778	10,746
Loans	84,591	67,432
	4,801,952	3,301,895

FIXED	COST	ACCUMULATED DEPRECIATION		
Buildings	71,391	96	71,295	—
Furniture and equipment	76,680	22,612	54,068	11,257
Leasehold improvements	20,088	10,218	9,870	2,816
Land	30,600	—	30,600	5,600
	198,759	32,926	165,833	19,673
OTHER ASSETS				
Unamortized excess of cost of subsidiaries over book value of their net assets (Note 3)			409,046	371,978
Organization costs			9,123	7,056
Cost of issuing shares			7,015	7,015
Unamortized cost of issuing debentures and notes			99,092	29,642
			524,276	415,691
			8,180,867	4,791,224
TRUST ACCOUNT				
Cash on hand and in bank			854,357	450,345

Corp. Ltd. *and Subsidiary Companies* (Note 1)

s at APRIL 30th, 1969

LIABILITIES

	April 30, 1969	Comparative April 30, 1968
CURRENT LIABILITIES		
Bank Loans—secured	$ 531,550	$ 375,800
Accounts payable and accrued liabilities	1,555,243	556,879
Notes payable	21,500	—
Dividends payable	24,348	17,979
Estimated income tax liability	7,521	8,084
Loans from shareholders	—	16,875
	2,140,162	975,617
LONG TERM LIABILITIES		
7½% secured demand note — C.F.F.C. (see contra)	235,494	246,519
Sundry mortgages payable	2,312,330	1,277,719
6½% series A convertable debentures redeemable on or before October 1, 1974 (Note 4)	165,800	500,000
7% series B convertable debentures, redeemable on or before February 15, 1976 (Note 5)	125,250	194,000
7% convertable secured notes, series "A" due November 15, 1988 (Note 6)	738,000	—
	3,576,874	2,218,238
DEFERRED CREDITS		
Unrealized income—mortgage discounts and real estate profits deferred	351,559	318,660
Total liabilities	6,068,595	3,512,515
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)		
Authorized: 5,000,000 Class "A" common n.p.v. shares 300,000 Class "B" common n.p.v. shares		
Issued and fully paid: 2,144,443 Class "A" shares	1,642,767	836,317
290,412 Class "B" shares	288,657	288,657
	1,931,424	1,124,974
Retained Earnings		
Per statement of retained earnings	180,848	153,735
	2,112,272	1,278,709
	8,180,867	4,791,224
TRUST ACCOUNT		
Due to clients—deposit and collection accounts	602,668	351,950
Due to general account (see current assets)	251,689	98,395
	854,357	450,345

L. MOTTISHAW, Director

J. O. GOODWIN, Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED APRIL 30, 1969

		Year ended April 30, 1969	Year ended April 30, 1968
REVENUE			
Real estate and insurance commission		1,035,261	610,106
Income from mortgages and notes		172,090	147,263
Profit on sales of real estate: Gross sales	1,747,784		
Cost of Sales	1,560,400	187,384	176,708
Rental income		182,747	89,189
Discount and deferred profit realized		21,787	15,635
Merchandise sales	57,818		
Less: cost of goods sold	39,086	18,732	—
Other income		90,110	58,231
		1,708,111	1,097,132
Less: real estate and insurance commissions paid		527,492	324,488
		1,180,619	772,644
COST OF BORROWING			
Interest on notes and debentures		50,118	46,082
Interest on other indebtedness initially incurred for a term of more than one year		122,900	44,074
Other interest		42,781	29,943
Amortization of financing expenses		36,081	4,500
		251,880	124,599
Net revenue after deducting commissions and cost of borrowing		928,739	648,045
OPERATING EXPENSES			
General and administrative expenses		807,144	507,538
Directors fees		1,880	—
Depreciation		58,358	31,739
		867,382	539,277
Net revenue before corporation taxes		61,357	108,768
Corporation income taxes		7,521	7,366
		53,836	101,402
Add: Minority interest share of subsidiary losses (Note 3)		24,416	—
Net consolidated profit		78,252	101,402

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED APRIL 30, 1969

	Year ended April 30, 1969	Year ended April 30, 1968
Retained earnings at beginning of year	153,735	93,069
Add: Adjustment of prior years profit (Net)	2,396	2,919
Net consolidated profit for year	78,252	101,402
	234,383	197,390
Deduct: Amortization of cost of wholly owned subsidiaries (Note 3)	8,318	8,173
Dividends declared—Class "A" shares	39,409	29,570
—Class "B" shares	5,808	5,808
Interest on corporation tax		104
	53,535	43,655
Retained earnings at end of year	180,848	153,735

REPORT OF THE AUDITORS

The Shareholders
Great National Land & Investment Corp. Ltd.
Nanaimo, B.C.

Gentlemen:

We have examined the Consolidated Balance Sheet of Great National Land and Investment Corp. Ltd. and subsidiary companies as at April 30, 1969 and the statements of consolidated profit and loss and retained earnings for the year ended on that date. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of other auditors with reference to the accounts of Nanaimo Realty (Courtenay) Ltd. and Nanaimo Realty (Duncan) Ltd. which have been included in the consolidated statements.

In our opinion the accompanying balance sheet and statements of consolidated profit and loss and retained earnings, together with the notes thereto, present fairly the financial position of Great National Land & Investment Corp. Ltd. and subsidiary companies as at April 30, 1969 and the results of the group's operations for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Respectfully submitted,
CHURCH, PICKARD, LANE & NEWMAN
Chartered Accountants

NANAIMO, B.C.
October 2, 1969

STATEMENT OF FUNDS RECEIVED AND APPLIED

FOR THE YEAR ENDED APRIL 30, 1969

		Year ended April 30, 1969	Comparative Year ended April 30, 1968
SOURCE OF FUNDS			
From operations:			
Net profit for period	$ 78,252		$ 101,402
Adjustment of prior years profit	2,396		2,815
Charges not requiring current funds			
Depreciation	58,358		31,739
Amortization of financial expense	36,081		4,500
		175,087	140,456
From increase in mortgages payable		1,034,611	723,645
From land subdivided or sold		—	160,695
From sale of capital stock:			
Increase in share capital	784,950		
Less: Issued for conversion of debentures and notes	464,950	320,000	58,780
From sale of shares held by subsidiary		46,520	—
From sale of secured notes		800,000	900
		2,376,218	1,084,476
FUNDS APPLIED			
To acquisition of rental properties		367,476	716,348
To acquisition and development of properties for subdivision		737,090	73,252
To increase in Mortgages and Agreements	441,132		
Less: Increase in deferred profit and discount	32,899	408,233	(12,524)
To investment in subsidiaries in excess of book value of net asests acquired		70,406	51,427
To investment in private companies		17,191	6,451
To Acquisition of fixed assets			
Furniture and equipment	46,302		
Leasehold improvements	10,018		
Buildings	71,391		
Land	25,000	152,711	12,421
To cost of organization and financing		107,598	—
To payment of dividends		45,217	35,378
To increase in working capital (Exhibit A)		470,296	201,723
		$ 2,376,218	$ 1,084,476

EXHIBIT A INCREASE IN WORKING CAPITAL

	Working Capital			
	April 30, '68 1968	April 30, '69 1969	Increase	Decrease
CURRENT ASSETS				
Cash	$ 56,006	$ 24,457		$ 31,549
Due from trust account	98,395	251,689	$ 153,294	
Marketable securities		150,000	150,000	
Accounts receivable	371,742	505,691	133,949	
Real estate for sale and construction in progress	874,942	2,196,002	1,321,060	
Less: Construction progress draws	(350,394)	(573,429)	(223,035)	
Stock in trade	—	122,782	122,782	
Prepaid expenses	3,274	11,614	8,340	
	1,053,965	2,688,806		
CURRENT LIABILITIES				
Bank loans	375,800	531,550		155,750
Accounts payable	556,879	1,555,243		998,364
Notes payable		21,500		21,500
Dividend payable	17,979	24,348		6,369
Estimated income tax	8,084	7,521	563	
Loans from shareholders	16,875		16,875	
	975,617	2,140,162	1,683,828	1,213,532
Working Capital	78,348	548,644		
Increase therein	470,296			470,296
	548,644	548,644	1,683,828	1,683,828

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT APRIL 30, 1969

NOTE 1—The subsidiary companies of Great National Land & Investment Corp. Ltd. and the effective dates of acquisition of the individual companies are:

(a) Wholly Owned

Beach Estates Ltd.	January 1, 1964
Forest Park Estates Ltd.	January 1, 1964
Nanaimo Mutual Investment Corp. Ltd.	January 1, 1964
Nanaimo Realty Co. Ltd.	October 31, 1965
Nanaimo Realty (1964) Ltd.	October 31, 1965
Nanaimo Trade in Exchange Service Ltd.	November 5, 1965
Smugglers Hill Holdings Ltd.	August 15, 1966
D. J. MacRae Insurance Agency Ltd.	March 1, 1968
Sunglo Lumber Ltd.	February 1, 1969

(b) Controlled		Controlling Interest
Sunnyslope Estates Ltd.	January 1, 1964	63%
Ucluelet Investments Ltd.	May 1, 1965	79%
Nanaimo Realty (Duncan) Ltd.	May 1, 1968	51%
Nanaimo Realty (Courtenay) Ltd.	July 3, 1968	51%

The results of the operations of these companies subsequent to the dates of acquisition have been consolidated in the financial statements.

NOTE 2—During the year the companies have purchased properties for future subdivision. These are recorded at a cost of approximately $477,000 including some $16,000 net commission paid to associated companies by the vendors. The consolidated profit and loss statement reflects the said net commission revenue. This treatment is consistent with that followed in previous years.

NOTE 3—The Management has decided to amortize over ten years, the excess of cost over book value in the acquisition of Beach Estates Ltd., Forest Park Estates Ltd., Nanaimo Mutual Investment Corp. Ltd. and
Sunnyslope Estates Ltd., totalling ..... $ 81,732
The amount written off to date totals ..... $ 32,837

$ 48,895

The excess cost of the other subsidiaries, i.e. Nanaimo Realty Co. Ltd., Nanaimo Realty (1964) Ltd., D. J. (Don) MacRae Insurance Agency Ltd., Nanaimo Realty (Courtenay) Ltd. and Sunglo Lumber Ltd. consists mainly of goodwill and no provision is made for amortization. This amount totals 346,471

The minority interest share of losses of partly owned subsidiary companies totals $ 24,416

These interests have contributed towards the capital equity of the subsidiaries amounts totalling ..... $ 10,736

The difference represents advances by the majority interest of 13,680

$ 409,046

NOTE 4—The series "A" debentures are convertible into Class "A" shares at the option of the holder at the following rates:

If presented: On or before October 15, 1970, at the rate of $1.00 per share, thereafter and on or before October 15, 1972, at the rate of $1.33⅓ per share,

thereafter and up to the close of business on October 1, 1974, at the rate of $2.00 per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

The trust indenture of the debentures also contains provisions for the adjustment of the conversion rights in certain circumstances.

NOTE 5—The series "B" debentures are convertible into Class "A" shares at the option of the holder up to the close of business on February 15th, 1976 at the rate of $1.00 per share. The trust indenture of the debenture contains provision for the adjustment of the conversion right in certain circumstances.

NOTE 6—The series "A" secured notes are convertible into Class "A" shares at the option of the holder up to the close of business on November 30, 1973, at the rate of $2.00 per share and thereafter up to November 30, 1978 at the rate of $2.50 per share.

The notes are redeemable to maturity at a premium of 7½% up to November 15, 1969 reducing by ⅜% per annum thereafter.

A sinking fund is required for the redemption of $25,000 notes annually to November 30, 1973 and $35,000 thereafter until maturity. Conversion of notes, on a cumulative basis, will satisfy the sinking fund requirements.

NOTE 7—The Company's isued capital has increased during the year under review as follows:

Class A Common Shares	Number of Shares	Amount Paid Up
Balance May 1, 1968	1,550,493	$ 857,817
Shares issued during year for cash	160,000	320,000
for conversion of Series A debentures	334,200	334,200
Series B debentures	68,750	68,750
Series A secured notes	31,000	62,000
	2,144,443	$ 1,642,767
Class "B" Common Shares		
Balance May 1, 1968	290,412	$ 288,657

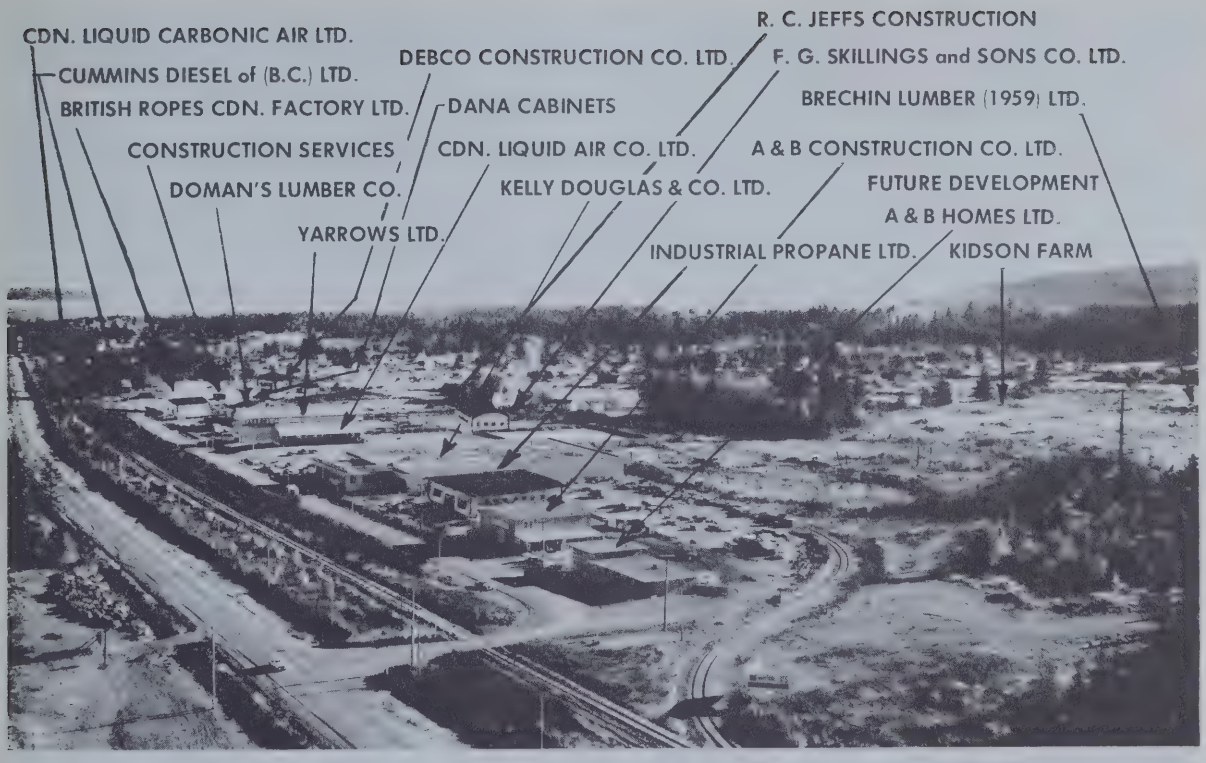
291,050 Class "A" shares are reserved for the conversion of series "A" and "B" debentures and 369,000 are reserved for the conversion of Series "A" secured notes.

At April 30, 1969 class "A" shares carry one vote per share and class "B" shares each carry fifty votes, subject to certain restrictions.

NOTE 8—Contingent liabilities of the companies in respect of guarantees of bank and other loans amounted to $54,062 at April 30, 1969.

NOTE 9—The Companies have claimed allowances for tax purposes that have not yet been charged against profits. This results in a reduction of the provision for income tax as follows:

Year ended April 30, 1964	$ 294
1965	12,981
1966	18,601
1967	9,306
1968	32,223
1969	36,861
Accumulated deferral at April 30, 1969	$ 110,266



NANAIMO INDUSTRIAL PARK

Pictured above is Nanaimo Industrial Park, one of three properly integrated industrial parks developed by the company.

FIRST HALF HIGHLIGHTS

SIX MONTHS ENDED OCTOBER 31

	1969	1968	1967
GROSS ASSETS	$ 8,880,581	$ 5,712,575	$ 4,341,080
GROSS INCOME	1,061,208	831,259	527,820
OPERATING PROFIT	78,071	117,125	62,145
TAXES ON INCOME	14,272	33,939	12,127
EARNINGS PER COMMON SHARE	0.023	0.045	0.028
RETAINED EARNINGS	213,334	229,522	124,812
DEFERRED PROFIT RESERVES	641,574	347,608	202,248
COMMON SHARES OUTSTANDING	2,459,955	2,111,205	1,739,125

LAND DEVELOPMENT







KOPINA ESTATE

A beautiful 300 lot development. Lot owners have use of beautiful lodge and swimming pool facilities situated on ocean front in a paradise area north of Nanaimo.



DEEP BAY

One of the finer anchorages north of Nanaimo, opened with 103 *resort and retirement lots in* 1968, *has had brisk lot sales in its first* 3 *months and is now completely sold. Your company still acts as agents for resale.*







SANDPIPER BEACH

Situated on Hornby Island, this beautiful 240 *acre area has unique rock formations on its seashore. The first stage of approximately* 80 *lots is* 90% *sold out. The second stage is now under development.*



CILAIRE

On the waterfront north of Nanaimo, an aerial view of the extremely popular Cilaire subdivision and now recognized as one of the finest residential areas of British Columbia. The bathing beach is among the best on the Island.



GALLEON BEACH

This beautiful 180 *acre waterfront development has sold well. The fourth phase of large resort lots is now underway. In many cases the company constructs cottages and offers package deals.*



LAKEVIEW

Pictured right is ***Lakeview****, a new* 550 *lot subdivision bordering Divers Lake on the north side of Nanaimo. This beautiful area now under development will be an important source of earnings for the company over the next few years. The first lots will be on the market almost immediately.*



RUXTON ISLAND

Development of the fourth stage of this beautiful 200 *acre island has been completed during the last year. It is expected that the few remaining lots will be sold out within the next six months.*



SHIP'S POINT

This 192 *lot subdivision is now sold out. The water mains were installed during the last year. The company still acts as agents for resale.*



TRIBUNE BAY

The famous Tribune Bay white sand beach, one of the first in B.C., is only a short distance from Galleon Beach and Sandpiper Beach.

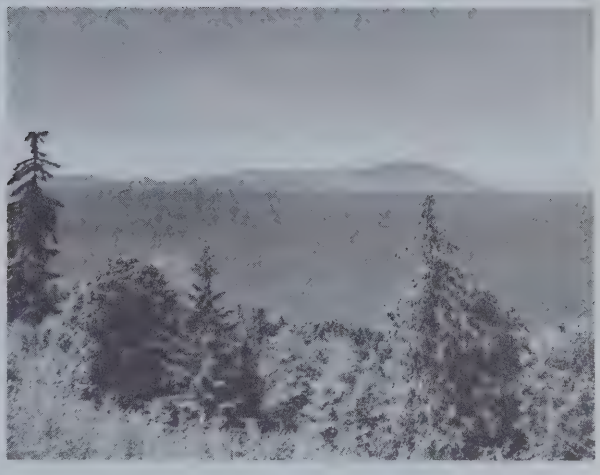


GREEN LAKE

Pictured here is an area of Green Lake, a 130 *acre development completely surrounding the lake. This is one of the few privately owned lakes on Vancouver Island. The first two stages of development are now sold out. The third stage will be ready in* 1970.

RESIDENTIAL DEVELOPMENT





OCEAN VILLAGE

The 400 acre subdivision whcih has been held back for some years awaiting development of the water system, is now open. Pictured above are some of the first homes under construction. When finished, this subdivsion will have approximately 400 lots. Ocean Village is situated with a dramatic panoramic view of the Gulf of Georgia close to Nanaimo. The first two stages have been sold out during the past six months.



SMUGGLER'S HILL

This newly acquired subdivision and development now has the services in, with a housing program in full swing. Situated only a short distance from one of Nanaimo's finest beaches and in a prime residential area, it is expected that there will be a strong market demand for these homes.



LANCELOT & KENSINGTON GARDENS

Bordering Nanaimo Golf Course and overlooking the sea, this 48 unit row housing complex has proven very popular with a very high occupancy rate.





LYNBURN

This 400 lot subdivision surrounding the golf course proved very successful with higher priced homes predominating. The company expects to continue its policy of custom home building in this subdivision during the coming fiscal period. Pictured left are aerial view of part of Lynburn facing golf course and typical example of custom homes built by the company on Lynburn.

KING ARTHUR'S COURT

This 38 unit row housing complex adjacent to Harewood School and Shopping Centre caters to family living. With newly formed family units increasing at a record pace, it is expected units of this type will enjoy a very high occupancy for many years to come.



SOMERSET VILLAGE

The final phase of this medium price home lot subdivision is now complete. Pictured right is an aerial view and homes typcial of the style built by the company in Somerset Village. The second phase of lots is expected to sell out in two months.



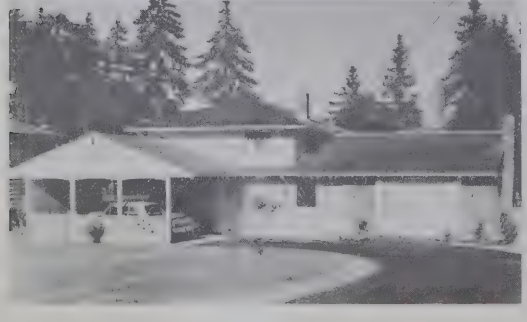












Pictured on this page are typical smaller type homes which the Company builds on its own subdivisions. A policy of proper aesthetic design and colour is maintained which in turn contributes to more beautiful and appealing housing developments as well as better long term value for purchasers. A substantial proportion of new home contracts are also given to other contracting companies to accelerate the sale of lots.





Typical homes now under construction or finished in Campbell River. These homes are selling well. The company is also opening up two residential subdivisions in this rapidly growing city.







Similar type homes are being built in Courtenay and Comox, which are also selling well.

TOWNSITE PLAZA

A ninety unit apartment complex in which the company has a major equity. This enjoys a very high occupancy factor. Situated on the Millstream River in Nanaimo.



FONTAINBLEU

A small section of another row housing complex bordering Nanaimo Golf Course and owned by Great National.





SUN GLO LUMBER

A wholly-owned subsidiary of the company, Sun Glo Lumber has doubled its sales volume in its first six months of operation and is now contributing steady profits.

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THE WORLD-FAMOUS BATHTUB RACE

Nanaimo is a distribution and wholesale center for Vancouver Island, with economy based on a growing forestry product, fishing, mining, agriculture and tourism. The city is well known for its famous Bathtub Race from Nanaimo to Vancouver.

Nanaimo Printers Ltd.